

How China-Africa Relations Have Developed

A Brief History

Starting in the late 1950s, Africa became central to China's ideologically driven campaign promoting revolution, anti-colonialism, and Third World solidarity.¹ This included moral and material support for liberation movements. Relations were further consolidated when Premier Zhou Enlai visited ten African countries in 1963–1964 and articulated the “Five Principles Governing the Development of Relations with Arab and African Countries” and “Eight Principles for Economic Aid and Technical Assistance to Other Countries” that would underpin China-Africa relations going forward.² These two documents laid out the principle that relations would be governed by “equality, mutual interest and non-interference,” based on China’s “Five Principles of Peaceful Coexistence.”³ These principals form the basis of China’s present-day emphasis on “friendly relationships” devoid of political conditions or interference in the internal affairs of African countries.

The launch of the reform and opening program (改革开放) at the 11th Party Congress of the Chinese Communist Party in December 1978 fundamentally changed China’s international and domestic priorities and, along with it, its Africa policy. The success of China’s developmental progress and the unleashing of economic market forces resulted in the erosion of ideological leanings of the Chinese Communist Party. In its place was a singular desire to pull China out of poverty and improve the livelihoods of its citizens. Chinese state-owned enterprises (SOEs)—enjoying access to capital from China’s centrally managed policy banks—began to look outward. Africa

¹ For more on this period, see Domingos Jardo Muekalia, “Africa and China’s Strategic Partnership, *African Security Review*, Vol. 13, No. 1, 2004, pp. 5–11.

² These principles are listed in “Chinese Leaders on Sino-African Relations,” China.org.cn, December 10, 2003.

³ The five principles of peaceful coexistence are mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other’s internal affairs; equality and mutual benefit; and peaceful coexistence. See United Nations, “No. 4307: India and People’s Republic of China,” *United Nations Treaty Series*, Vol. 299, 1958, pp. 57–81.

quickly became the recipient of this “going out” strategy.⁴ It wasn’t until the late 1990s, however, that Chinese policymakers conceptualized a new framework of all-around engagement with Africa encompassing trade, cultural, and diplomatic ties.

The creation of an entity to centralize China-Africa relations—the Forum on China-Africa Cooperation (FOCAC)—marked the beginning of a period of unprecedented bilateral engagement. Initiated by the Ministry of Foreign Affairs (MFA) in October 2000, FOCAC was established to coordinate China’s activities in Africa and has become the institutional vehicle for managing cooperation with Africa across a range of technical, economic, and political areas. Since 2000, five ministerial meetings have taken place—2000 in Beijing; 2003 in Addis Ababa, Ethiopia; 2006 in Beijing; 2009 in Sharm el-Sheikh, Egypt; and 2012 in Beijing.

Through the FOCAC framework, Beijing sets out three-year engagement plans toward the continent in the form of strategic initiatives and economic commitments. China’s “state capitalist” approach—in which the state exercises control over leading companies through ownership, subsidies, and influence over corporate officials—enables the government to make sweeping pledges of capital and technical assistance.

According to its website, FOCAC was established as a “platform for collective dialogue and an effective mechanism for enhancing practical cooperation between China and African countries.” It aims to “deepen mutual understanding, expand consensus, strengthen friendship and promote cooperation through equal consultation.”⁵ In a July 2012 op-ed in the *China Daily*, PRC Foreign Minister Yang Jiechi called FOCAC “the standard-bearer for China-Africa relations” and “an important engine driving practical cooperation between China and Africa.”⁶ While FOCAC summit meetings lay out broad policy objectives and aspirations that both China and African countries endorse, Beijing’s interaction with African countries is generally executed on a bilateral basis.

FOCAC conferences provide a highly visible political and diplomatic platform upon which Beijing seeks to show respect to African leaders on the world stage. It is Beijing’s way of “giving face” to African governments. African elites in turn appreciate the respect and lavish treatment granted by their Chinese counterparts. Beyond the pomp and circumstance, FOCAC meetings also make it logistically feasible for China to undertake high-level outreach to some 50 African countries. President Hu Jintao, for example, frequently met with dozens of African presidents before, during, and after the FOCAC conferences, which in some cases presented opportunities for China to unveil large bilateral trade deals with African nations.⁷

⁴ Linda Yueh, “China’s ‘Going Out, Bringing In’ Policy: The Geo-Economics of China’s Rise,” presented at A New Era of Geo-economics: Assessing the Interplay of Economic and Political Risk International Institute of Strategic Studies (IISS) Seminar, March 23–25, 2012.

⁵ “About FOCAC,” ChinAfrica.cn, no date.

⁶ Yang Jiechi, “Advance Friendly Cooperation” *China Daily*, July 17, 2012.

⁷ “President Hu Meets Five African Presidents in Beijing,” Xinhua, November 3, 2006.

The publication of China's white paper on Africa in January 2006, titled "China's African Policy," further enhanced and consolidated China's strategic vision for in Sino-Africa relations. The white paper outlines China's four overarching principles in its engagement with Africa:⁸

Sincerity, friendship and equality. China adheres to the Five Principles of Peaceful Coexistence, respects African countries' independent choice of the road of development and supports African countries' efforts to grow stronger through unity.

Mutual benefit, reciprocity and common prosperity. China supports African countries' endeavor for economic development and nation building, carries out cooperation in various forms in the economic and social development, and promotes common prosperity of China and Africa.

Mutual support and close coordination. China will strengthen cooperation with Africa in the United Nations and other multilateral systems by supporting each other's just demand and reasonable propositions and continue to appeal to the international community to give more attention to questions concerning peace and development in Africa.

Learning from each other and seeking common development. China and Africa will learn from and draw upon each other's experience in governance and development, strengthen exchanges and cooperation in education, science, culture and health. Supporting African countries' efforts to enhance capacity building, China will work together with Africa in the exploration of the road of sustainable development.

China's policy objectives, as communicated through the FOCAC framework and 2006 white paper, make clear that China's central goal in increasing ties with Africa is rooted in a "win-win" approach that enhances Chinese trade and investment opportunities and brings economic opportunity to Africans without overly interfering in the internal affairs of African governments.

Political Engagement

Chinese policymakers and academics perceive their role in Africa as promoting principles of mutual respect, equality, and friendship, which China refers to as "all-round cooperation."⁹ Chinese elites frequently draw on Chinese history and Europe's colonial past to highlight such principles. During a speech at the 2012 FOCAC, Chinese Ambassador to South Africa Tian Xuejun invoked memories of Admiral Zheng He's

⁸ "China's African Policy," Chinese government paper, January 2006.

⁹ The concept of "all-round cooperation" was put forward in "China's African Policy," 2006.

15th century naval diplomacy to the eastern coast of Africa, saying, “instead of establishing colonies or engaging in slave trade like Western colonists, Zheng traded goods with local people.”¹⁰

In the political realm, China maintains that it has always upheld principles of mutual respect and equality with Africa, including not interfering in African countries’ internal affairs and respecting their independent development path. In the economic realm, China sees itself as pursuing mutual benefit and common development. Chinese officials consistently highlight the fact that none of China’s assistance to Africa is attached with political conditions.

These principles were most succinctly elucidated during a speech by Jia Qinglin, Chairman of the Chinese People’s Political Consultative Conference, at the 18th summit of the African Union in January 2012:

Throughout the development of China-Africa relations, we have always respected the sovereignty and development path of African countries and refrained from interfering in their internal affairs. We have always treated African countries on an equal footing and pursued mutually-beneficial and win-win cooperation with them. We have always regarded assistance and support between China and Africa as mutual, and have never attached political strings to our assistance to Africa.¹¹

Despite its emphasis on non-interference, China does insist on one precondition for diplomatic relations with Beijing: It insists that African countries recognize the “One China” policy. Thus, while China consistently emphasizes its principle of de-politicization in its dealings with African countries, Taiwan remains the one clear exception to the rule.

China’s focuses on non-interference in part because of its own concerns over sovereignty issues involving Xinjiang, Tibet, and Taiwan.¹² Due to these concerns, non-interference acts both as a means of deflecting international criticism of its own domestic policies as well as a policy that frees China from involving itself in the messy and complicated internal crises that continue to plague Africa. African leaders typically refrain from criticizing China in return.

Some scholars voice criticisms of China’s principles of engagement, saying they “effectively legitimize human rights abuses and undemocratic practices under the guise of state sovereignty and ‘non-interference.’”¹³ China frequently counters such criticisms

¹⁰ Tian Xuejun, Chinese ambassador to South Africa, “Friendship and Cooperation for a Better Future of China-Africa Relations,” speech to the South African Institute of International Affairs (SAIIA), Johannesburg, July 4, 2012.

¹¹ Jia Qinglin, “Towards a Better Future with Stronger China-Africa Solidarity and Cooperation,” speech to 18th summit of the African Union, Addis Ababa, Ethiopia, January 29, 2012.

¹² Rotberg, 2008, p. 12.

¹³ Ian Taylor, “China’s Oil Diplomacy in Africa,” *International Affairs*, Vol. 82, No. 5, September 1, 2006.

with the notion that African problems “should be solved by Africans themselves,” free from outside intervention and imposition of values, judgment, and ideology. On this point, Chinese scholars distinguish “intervention” from “involvement” or “diplomacy.” The key difference, according to one Chinese scholar, is that the latter involves “consent from either Africans themselves or from international institutions such as the U.N. or AU [African Union].”¹⁴

This is not to say that China does not exercise influence to mediate conflicts. For example, in the run-up to the 2008 Beijing Olympics, China found itself under increased international pressure to use its influence in Sudan to resolve the crisis in Darfur. It did so not by voting for UN Security Council resolutions critical of Khartoum, but rather by pressing the Sudanese government to accept a UN–African Union peacekeeping mission in Darfur during a February 2007 visit by president Hu Jintao to Sudan. Five months later, the Security Council—with China holding the rotating presidency—passed a resolution establishing the peacekeeping mission that “commend[ed] . . . the agreement of Sudan that the hybrid operation shall be deployed in Darfur.”¹⁵ Thus, the Chinese ambassador to the United Nations could claim that China did not have to “twist arms” in Khartoum, but rather note that Sudan had given its consent to the peacekeeping mission through diplomatic dialogue.¹⁶

From China’s perspective, non-intervention is intertwined with China’s role in promoting human rights and economic development on the continent. Beijing perceives Western-led criticisms of Chinese human rights abuses in Africa as misguided and part of a larger effort to demonize Chinese policies abroad.¹⁷ When asked about China’s investment in nations with records of human rights abuses, Chinese Foreign Minister Li Zhaoxing famously retorted, “Do you know what the meaning of human rights is? The basic meaning of human rights is survival and development.”¹⁸ Such comments reinforce the notion that China sees human rights in economic development terms rather than in terms of individual liberties or political participation. Thus, applied to the context of economic development, China sees its role in Africa more as the *provider* of development opportunities for Africa and Africans, focusing on the *means* of development as opposed to the ends. To punish countries for their manage-

¹⁴ Interview with Chinese scholar in Beijing, February 27, 2013.

¹⁵ United Nations Security Council, S/RES/1769 (2007), July 27, 2007.

¹⁶ David H. Shinn, “China and the Conflict in Darfur,” *Brown Journal of World Affairs*, Vol. 16, No. 1, Fall/Winter 2009, pp. 91–94.

¹⁷ “China-Africa Relations Based on Equality, Mutual Benefit and Common Development,” *China People’s Daily*, February 26, 2010.

¹⁸ See Rukmini Callimachi, “China Courts Africa with Aid, Projects,” Associated Press, January 4, 2007.

Chinese Government Agencies Involved in China's Africa Policy

Management and coordination of Sino-Africa relations is dispersed among a handful PRC governmental organs and agencies.

Ministry of Foreign Affairs (MFA)

MFA carries out China's foreign policy and represents the Chinese government in relations with foreign countries. Its main responsibility is to release the state's major foreign policy documents and issue statements responding to international events. The MFA, in particular the African Affairs Office, plays a central role in conceptualizing and shaping China's Africa policy. The MFA created FOCAC and continues to issue major long-term proposals and suggestions for the central government to use in formulating China's diplomatic strategy toward Africa. The 2006 white paper on Africa, for example, was written and publicized by MFA, with input for other government agencies.¹ In terms of aid, MFA plays an advisory role to the Ministry of Commerce (MOFCOM) and Ministry of Finance (MOF). Two MFA bureaus in the particular—the Bureau for Chinese Diplomatic Missions Abroad and the Department of External Security Affairs—have begun to play increasingly important roles in managing China's Africa policy. The former manages Chinese embassies overseas, which have become important conduits for transmitting feedback about Chinese policies back to Beijing. The latter's role has increased due to the increasing risk to Chinese nationals working near conflict zones in Africa.

Ministry of Commerce (MOFCOM)

MOFCOM is the main government agency charged with overseeing aid disbursements and government-to-government trade negotiations with Africa. For aid packages, this includes conceptualizing and monitoring grant aid, technical assistance, and all interest-free and concessional loans. MOFCOM, in consultation with MFA and MOF, negotiates intergovernment agreements, conducts feasibility studies for aid projects, chooses aid implementers, and conducts project reviews. It also coordinates with the China Exim Bank on concessional loans.² The department in charge of overseeing aid to Africa is the Department of Aid to Foreign Countries.³ For economic and trade affairs, MOFCOM's Department of Western Asian and African Affairs and Department of Outward Investment and Economic Cooperation are the two advisory bodies charged with overseeing China's trade policy and strategy with Africa.⁴

¹ Interview with senior MFA official in Beijing, February 26, 2013.

² Brautigam, 2009, p. 108.

³ Ministry of Commerce of the People's Republic of China, "Department of Aid to Foreign Countries," web page, no date.

⁴ Ministry of Commerce of the People's Republic of China, "Department of Western Asian and African Affairs," web page, no date. Also, Ministry of Commerce of the People's Republic of China, "Department of Outward Investment and Economic Cooperation," web page, no date.

Ministry of Finance (MOF)

China's MOF is primarily a domestic government organ in charge of administering fiscal policy, economic regulations, and government expenditures for the state. Its role in implementing China's Africa policy is minor and limited to managing the budget for foreign aid expenditures, in cooperation with MOFCOM and MFA.

National Development and Reform Commission (NDRC)

Formerly called the State Development Planning Commission, the NDRC focuses primarily on formulating China's long-term strategy for domestic economic growth. It also has significant influence on China's foreign policy by coordinating Chinese "going out" strategy and approving overseas resource acquisition. The Department of Trade and the Office of Policy Studies, in coordination with departments within MOFCOM and MFA, are the two offices within the NDRC charged with formulating trade and investment policies related to Africa.

State-Owned Assets Supervision and Administration Commission (SASAC)

SASAC is administered by the State Council and manages the affairs of China's state-owned enterprises (SOEs). It is estimated that SASAC manages 120 state-owned firms and controls \$3.7 trillion in assets.⁵ SASAC wields significant influence over SOEs operating in Africa and elsewhere by appointing senior executives and the board of directors. China's three largest national oil companies—China National Petroleum Corporation, China Petroleum and Chemical Corporation (Sinopec), and China National Offshore Oil Corporation (CNOOC)—all have significant operations in Africa. SASAC's oversight and management role has a direct impact on their operations and strategy in Africa.

Export-Import Bank of China (China Exim Bank)

Established in 1994 and under the administration of the State Council, the China Exim Bank is China's largest lender for Chinese companies investing in Africa. Its portfolio is increasingly dominated by Africa, with between one third and one half of its activities devoted to financing projects on the continent.⁶ Ratings agency Fitch estimates that \$67.2 billion of China Exim Bank's loans were for African projects between 2001 and 2010, surpassing the World Bank's \$54.7 billion over the same period.⁷ It is also the primary lender for Chinese infrastructure projects in Africa, providing 92 percent of total Chinese investment from 2001 to 2007.⁸

⁵ "Of Emperors and Kings," *The Economist*, November 12, 2011.

⁶ Sébastien Le Belzic, *China's Exim Bank: Africa's Largest Financier Looks for an Even Bigger Role*, The Africa Report.com, October 25, 2012.

⁷ Le Belzic, 2012.

⁸ Le Belzic, 2012.

ment of their internal affairs by cutting off trade or imposing sanctions, Chinese officials argue, is therefore counterproductive.¹⁹

Economic Engagement

Much of Chinese engagement with Africa is centered on trade and investment. China's demand for energy resources coupled with Africa's need for investment and infrastructure development have allowed the Sino-African trade relationship to flourish over the past decade. At least one African official went so far as to suggest that Chinese support has been a key driver of Africa's success. Speaking at the January 2012 inauguration of the new African Union headquarters building in Addis Ababa—which China built, at a cost of \$200 million, as a gift—Ethiopian Prime Minister Meles Zenawi stated, “China, its amazing re-emergence and its commitments for a win-win partnership with Africa is one of the reasons for the beginning of the African renaissance.”²⁰

Trade

China-Africa trade has shown astonishing growth over the past decade. Since 2000, China-Africa trade has increased twenty-fold, from approximately \$10 billion in 2000 to \$199 billion in 2012, representing an annual growth rate of almost 16 percent.²¹ In 2012, China's imports from Africa stood at \$113.17 billion and African imports from China at \$85.32 billion.²² (See Figure 3.1.)

Among the major trading blocs, China has emerged as a key trading partner for Africa. As Figure 3.2 indicates, while Africa imports the largest amount of goods from Europe in 2012, at 33 percent, Africa is importing comparatively more goods from China, increasing its share to 13 percent in 2012 from 2 percent in 1995. African imports from the United States have remained relatively stable, hovering around 5 to 8 percent between 1995 and 2012, while its imports from Japan fell to 3 percent in 2012 from 7 percent in 1995.

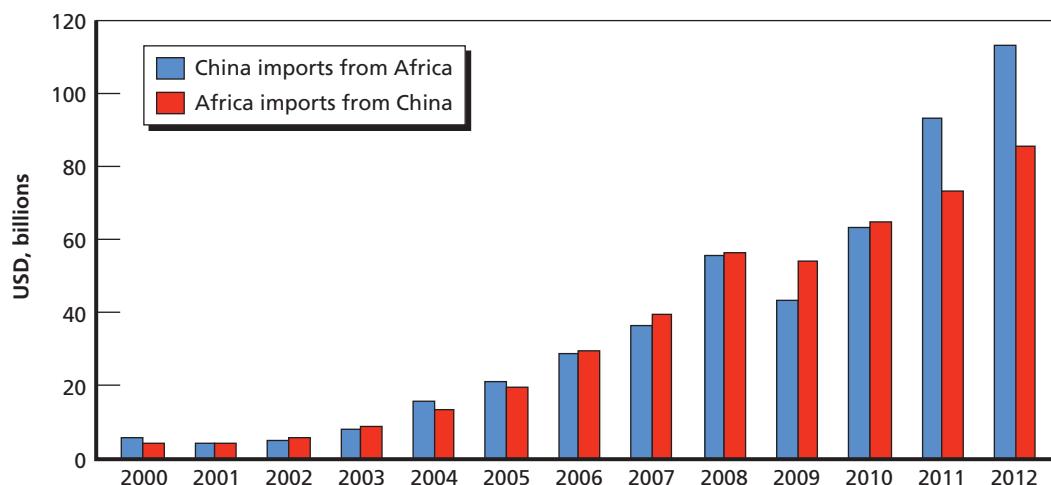
¹⁹ One senior MFA official said, “By Western countries severing trade relations, how can that help human rights? Only development and trade helps human rights. China uses development and trade to improve people’s livelihood, and improved livelihood is what improves human rights.” Interview with senior MFA official in Beijing, February 26, 2013.

²⁰ Meles Zenawi, Ethiopian Prime Minister, “Remarks at the Inauguration of the New African Union Commission Conference Center and Office Complex,” Addis Ababa, Ethiopia, January 28, 2012.

²¹ “China-Africa Economic and Trade Cooperation (2013),” *People’s Daily Online*, August 29, 2013.

²² Trade and FDI statistics derived from IMF Direction of Trade (DOTS), website, no date; United Nations Comtrade Database, website, no date; United Nations Conference on Trade and Development, *Economic Development in Africa Report 2013—Intra-African Trade: Unlocking Private Sector Dynamism*, July 11, 2013; and Chinese Ministry of Commerce website, “Foreign Investment,” no date.

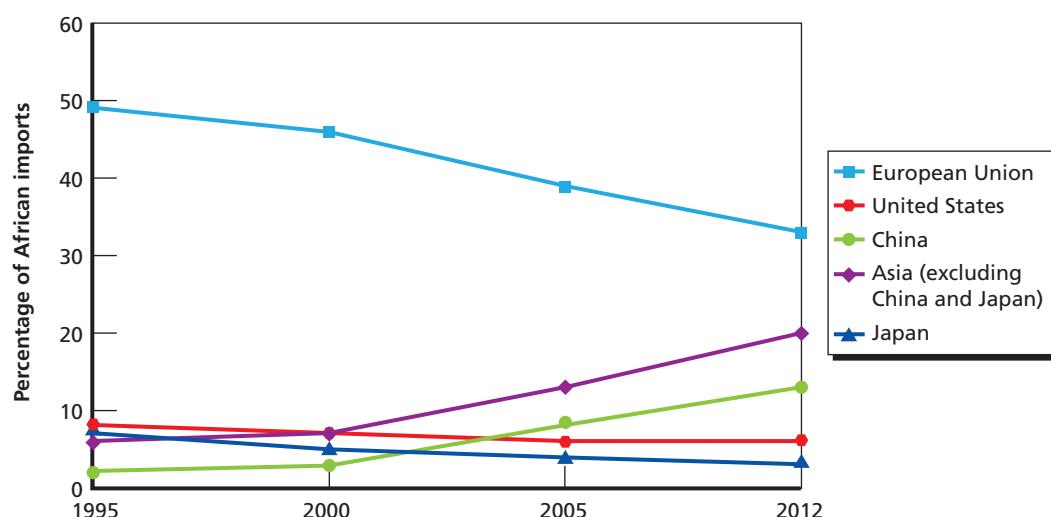
Figure 3.1
China-Africa Imports and Exports, 2000–2012



SOURCE: International Monetary Fund Direction of Trade Statistics; China-Africa Economic and Trade Cooperation (2013).

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Figure 3.2
Distribution of African Imports Among Major Trading Blocs



SOURCE: International Monetary Fund Direction of Trade Statistics.

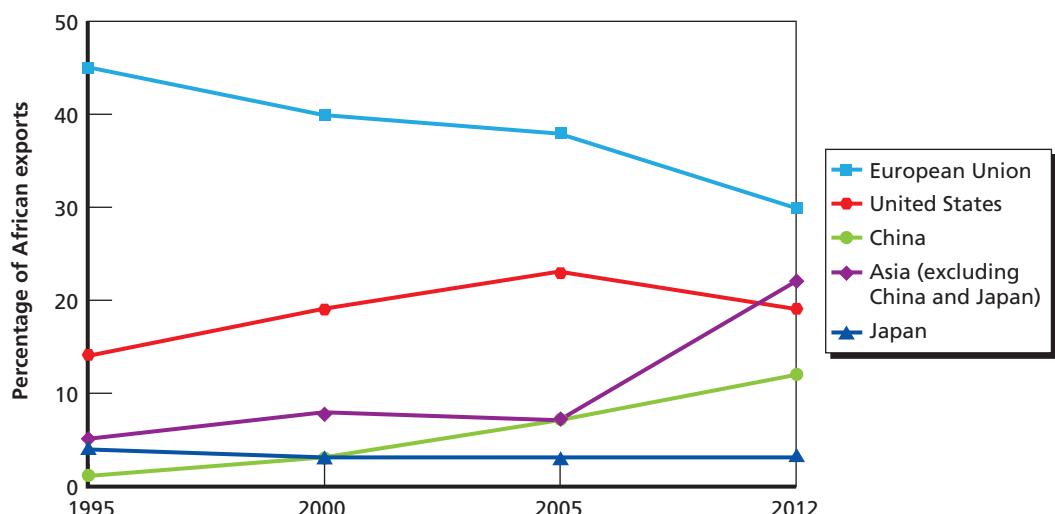
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As Figure 3.3 illustrates, the European Union, Asia and the United States remain Africa's leading destinations for exports among the major trading blocs, China's share has grown significantly, from 1 percent in 1995 to 12 percent in 2012. It is very likely the growth in African imports from and exports to China and Asia will continue to increase, while those from traditional markets in the United States and Europe will remain either stable or decline.

From China's perspective, China-Africa trade is still relatively modest, comprising only 5.13 percent of the total Chinese imports and exports in 2012, up from 2.23 percent in 2000. China-Africa trade has had a comparably larger impact for Africa, at 16.13 percent of the continent's total cumulative exports and imports from 2012, up from 3.82 percent.²³

Disaggregation of China-Africa trade data reveals that Africa's trade with China is highly concentrated in just a few countries (Figures 3.4 and 3.5). As of 2012, more than half of Chinese exports were concentrated in four countries: South Africa (21 percent), Nigeria (12 percent), Egypt (11 percent), and Algeria (7 percent). The overwhelming majority (87 percent) of Chinese imports in 2012 originated from five countries, all of which export primarily oil, gas, and minerals: South Africa (42 percent), Angola (32 percent), Libya (6 percent), Republic of Congo (4 percent), the Democratic Republic of Congo (3 percent).

Figure 3.3
Distribution of African Exports Among Major Trading Blocs

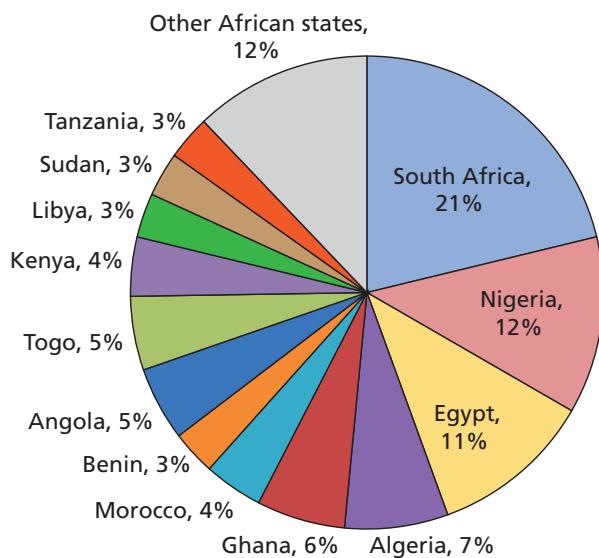


SOURCE: International Monetary Fund Direction of Trade Statistics.

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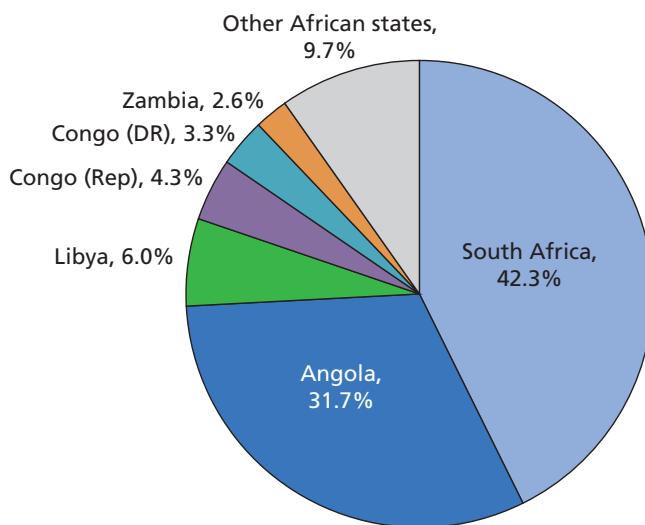
²³ "China-Africa Economic and Trade Cooperation (2013)," 2013, p. 2.

Figure 3.4
Chinese Exports to African Countries, 2012



SOURCE: International Monetary Fund Direction of Trade Statistics.
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Figure 3.5
Chinese Imports from African Countries, 2012



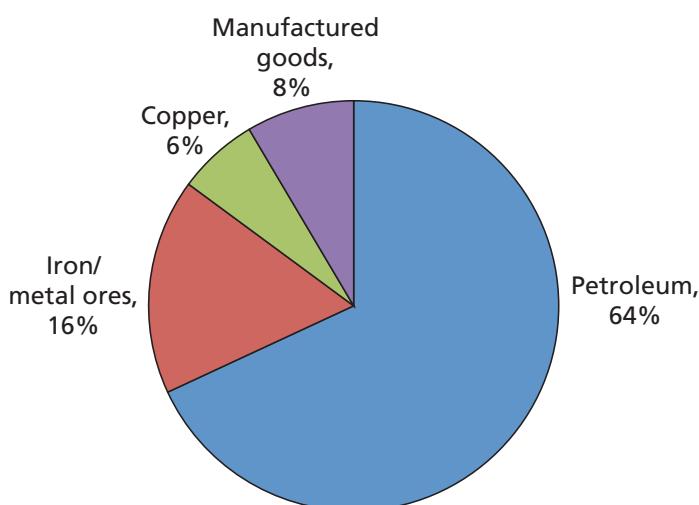
SOURCE: International Monetary Fund Direction of Trade Statistics.
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The high concentration of China-Africa trade is not just by country, but also by sector (Figure 3.6). In 2011, approximately 64 percent of registered Chinese imports from Africa consisted of petroleum; 16 percent iron and other metal ores; 8 percent manufactured goods; and 6 percent copper—figures which give credence to the claim that China's economic relationship with Africa is based largely on resource extraction. This specialization is accompanied by a very strong dependence on certain countries, since nearly all of Angola's and Sudan's exports are made up of crude oil.

Chinese exports to Africa are relatively more diversified, although three major types of products still dominant: machinery and transport equipment (38 percent), manufactured goods (30 percent), and miscellaneous articles (22 percent—mostly textiles) (Figure 3.7). Chemical products account for about 5 percent of the total. In general, Chinese products are considered to be well suited to African demand. Manufactured goods imports—electronic toys, textiles, etc.—have allowed Africans to expand their range of consumer products. Prices are often relatively inexpensive, making the products accessible to a larger number of people. Machinery and transport equipment imports are linked to the strong presence of Chinese firms in the infrastructure sector.

As China relies more heavily on oil imports from abroad, Africa's endowment of petroleum resources provides an increasingly important pillar of China-Africa trade. In 2011, Africa supplied China with 1.2 million barrels per day (bpd), or 24 percent

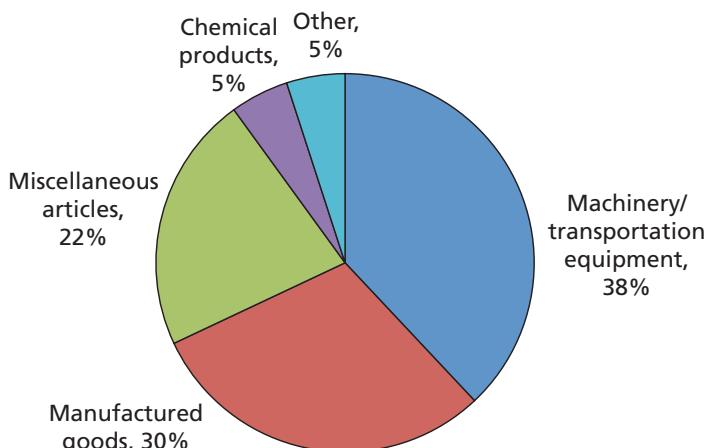
Figure 3.6
Chinese Imports from Africa, by Product, 2011



SOURCES: International Monetary Fund Direction of Trade Statistics; "China's Trade and Investment Relationship with Africa," United States International Trade Commission (USITC) Executive Briefings on Trade, April 2013.

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Figure 3.7
Chinese Exports to Africa, by Product, 2011



SOURCES: International Monetary Fund Direction of Trade Statistics; United Nations Comtrade.

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of China's total oil imports; Angola alone represented more than half that amount, or 12 percent of China's total crude oil imports.²⁴ Angola, Sudan, Congo, Libya, Algeria, and Nigeria together accounted for 90 percent of China's oil imports from Africa.²⁵

Many African countries that do not have valuable raw materials to export to China—particularly oil and gas—have developed large trade deficits with Beijing. In such countries, trade with China leads to outflows of capital, competition for local manufacturers, and job losses in non-competitive industries while creating few, if any, new jobs. Eight of the ten countries with the largest bilateral trade deficits, according to the African Development Bank (AfDB), are non-oil producers.²⁶ Tiny Mauritius, for example, imported \$433 million worth of goods from China in 2010 but exported only \$10 million of its own products.²⁷

In such countries, trade tends to become increasingly imbalanced as overall trade grows. Ghana, for example, had a trade deficit with China of \$70 million out of \$122 million in total trade in 2000; by 2006, the trade deficit grew to \$474 million in 2006,

²⁴ U.S. Energy Information Administration, *China Country Report*, September 2012.

²⁵ Gamache, Hammer, and Jones, 2013.

²⁶ African Development Bank Group, "Chinese Trade and Investment Activities in Africa," Policy Brief, Vol. 1, No. 4, July 29, 2010.

²⁷ Shinn and Eisenman, 2012, p. 279.

even as Ghana's exports to China remained stagnant at a mere \$29 million.²⁸ By 2012, despite Beijing's efforts to encourage Chinese investment and purchases of Ghanaian goods that yielded annual export growth of as much as 77 percent, Ghana's trade deficit with China reached \$4 billion on \$4.7 billion total bilateral trade.²⁹

Chinese Investment

China's investment in Africa is the natural counterpart to increased China-Africa trade. Both form part of China's broader engagement strategy with Africa, albeit through different means and utilizing different institutional mechanisms.

Analyzing Chinese FDI in Africa is difficult for a variety of reasons. First, China does not publish data on FDI in Africa by sector. More importantly, according to experts, China's data on foreign direct investment have several limitations that affect their reliability, including problems associated with underreporting, inconsistencies between FDI flow and stock data, and different definitions of what constitutes FDI in Chinese statistical disclosures.³⁰

This can lead to a wide range of estimates regarding China's FDI in Africa. For example, China's commerce minister, Chen Deming, announced in 2012 that Chinese FDI had "exceeded \$14.7 billion in 2010, up 60 percent from 2009."³¹ China's ambassador to South Africa, Tian Xuejun, commented in 2012 that "China's investment in Africa of various kinds exceeds \$40 billion."³² Regarding the discrepancy in the two figures, *The Economist* concludes, "Apparently, the first figure is for African investments reported to the government. The second includes estimates of Chinese funds flowing in from tax shelters around the world."³³

Going by official Chinese statistics provided by the Ministry of Commerce, Chinese FDI flows in Africa have increased six-fold between 2005 and 2012, from \$392

²⁸ African Center for Economic Transformation, *Looking East: China-Africa Engagements—Ghana Country Case Study*, December 2009, p. 5.

²⁹ Gao Wenzhi, Economic and Commercial Counselor, Embassy of China in Ghana, "Work by Mutual Efforts to Promote Trade And Economic Collaboration between Ghana and China," remarks to Standard Chartered Bank professional forum, Accra, Ghana, October 1, 2013.

³⁰ GAO, *Sub-Saharan Africa—Trends in U.S. and Chinese Economic Engagement*, GAO-13-199, Washington, D.C., February 2013, pp. 38–39.

³¹ Chen Deming, Chinese Minister of Commerce, "China and Africa Poised to Embrace a Brighter Future for Economic Cooperation and Trade," speech to Fifth Ministerial Conference of FOCAC, Forum on China-Africa Cooperation, July 18, 2012.

³² Tian Xuejun, Chinese Ambassador to South Africa, "Remarks at the South African Institute of International Affairs," Johannesburg, July 17, 2012.

³³ "Africa and China: More Than Minerals," *The Economist*, March 23, 2013.

million to \$2.5 billion. Chinese FDI stock in Africa has increased thirteen-fold, from 1.5 billion in 2005 to 21.23 billion in 2012.³⁴

Furthermore, according to the U.S. International Trade Commission, from 2003 to 2010, more than half of China's FDI in Africa was directed in oil, with Nigeria, Sudan, Angola, Egypt, Chad, and Niger as the major recipients.³⁵ Over 90 percent of the FDI came from China's large SOEs, which formed partnerships with African state oil companies and large multinationals. Some of the major state-owned firms with large holdings of FDI in Africa include the China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation, China Petroleum and Chemical Corporation (Sinopec), and China National Machinery Industry Corp (Sinomach).

Chinese FDI flows remain highly concentrated. In 2010, the top ten African recipients of Chinese FDI accounted for 76.3 percent of its total FDI to Africa (Table 3.1). Generally speaking, Chinese FDI in Africa is not correlated with total bilateral trade between China and African countries.

Table 3.1
**Top Ten Destinations of Chinese Foreign Direct Investment in Africa,
2010**

Country	Chinese FDI Flows in Africa (%)	Total China-Africa Trade (%)
South Africa	19.5	17.9
Democratic Republic of Congo	11.2	2.1
Niger	9.3	0.2
Nigeria	8.8	5.4
Algeria	8.8	4.1
Angola	4.8	19.6
Kenya	4.8	1.4
Zambia	3.6	2.0
Ethiopia	2.8	1.2
Ghana	2.7	1.6
Top 10's share of total	76.3	70.9

SOURCE: Sarah Baynton-Glen, *Beyond Trade—China-Africa Investment Trends*, Standard Chartered Global Research, February 22, 2012.

³⁴ Chinese Ministry of Commerce website, "Foreign Investment," no date; "China-Africa Economic and Trade Cooperation (2013)," 2013, p. 2.

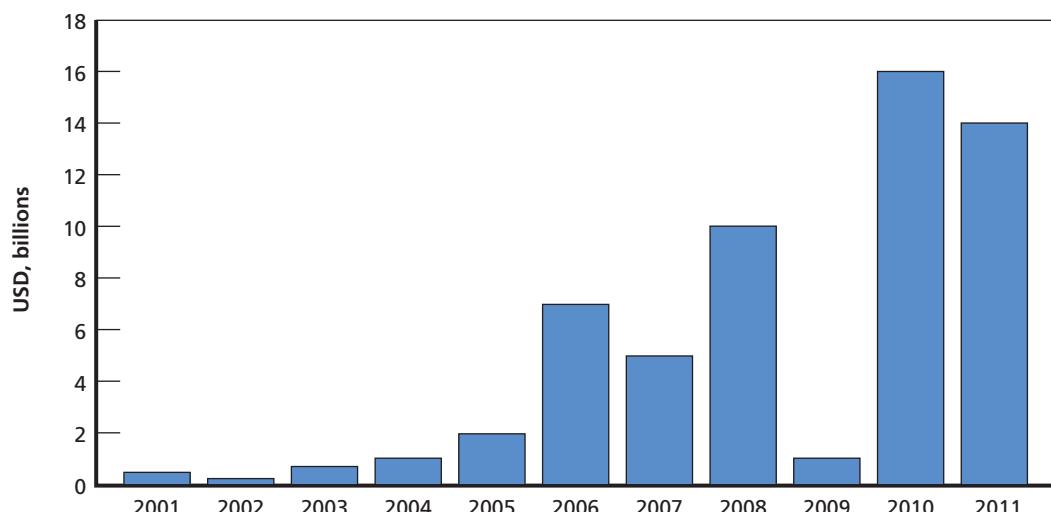
³⁵ Gamache, Hammer, Jones, 2013.

The principal lenders responsible for administering Chinese investments in Africa are the China Development Bank and China Exim Bank. As state-owned banks, both have helped to promote the Chinese government's global interests, as well as those of China's state-owned and private companies. As opposed to directly financing African companies or governments, the two banks mainly offer lines of credit to assist Chinese companies in their overseas expansion. The China Development Bank's investment vehicle, the China Africa Development Fund (CADFund), has disbursed an estimated \$1 billion in equity investment and aims to increase this to \$5 billion by 2015. The bank claims to have "guided and supported" a total of \$4 billion of investment by Chinese companies in Africa since 2007.³⁶

Chinese Infrastructure Financing

Chinese financing of infrastructure in Africa has emerged as a major component unique to the China-Africa relationship. As Figure 3.8 illustrates, Chinese infrastructure investment in Africa increased from around \$500 million in 2001 to \$14 billion in 2011. Two-thirds of Chinese infrastructure investment during this period went to the power and transportation sectors;³⁷ in contrast, in 2010 non-Chinese official devel-

Figure 3.8
China's Infrastructure Finance Commitments



SOURCES: World Bank Report 2008; Standard Chartered Research 2012.

RAND RR521-3.8

³⁶ Sarah Baynton-Glen, *Beyond Trade—China-Africa Investment Trends*, Standard Chartered Global Research, February 22, 2012.

³⁷ Dollar, 2008.

opment infrastructure financing was divided primarily among water, sanitation, transportation, and energy, with only 3 percent allocated to communication.³⁸

China's focus on infrastructure can be understood in terms of the economic complementarities that exist between the two countries. On the one hand, Africa remains perennially deficient in basic telecommunication, power, and transportation networks, while China has developed one of the world's largest and most competitive construction industries, with particular expertise in the civil works critical for infrastructure development. On the other hand, as a result of globalization, China's fast-growing manufacturing economy is generating major demands for oil and mineral inputs that are rapidly outstripping the country's domestic resources. Africa is already a major natural resource exporter, and infrastructure facilitates the extraction and transport of natural resources to markets abroad like China. Infrastructure can also enhance intra-African trade if built to connect manufacturing centers or sources of raw materials in one country to markets in another.

The vast majority of these infrastructure arrangements are financed by the China Exim Bank, which is devoted primarily to providing export seller's and buyer's credits to support the trade of Chinese goods. This deal structure is sometimes referred to as the "Angola model," in which repayment of the loan for infrastructure is made with future revenue from the sale of natural resources. In most cases, this arrangement is used for countries that cannot provide adequate financial guarantees to back their loan commitments and allows them to package natural resource exploitation and infrastructure development. It is no wonder that the majority of Chinese infrastructure finance is concentrated in resource-rich countries such as Nigeria, Angola, Sudan, and (as a legacy of the pre-independence period) South Sudan.³⁹ As will be discussed in the development aid and loans section, much of China's infrastructure construction activities in Africa and elsewhere are commercial transactions and have little to do with development assistance or FDI.

Chinese Development Aid and Loans

China gives development aid for a variety of reasons. Some are linked to China's trade and investment agenda. Others are tied to Chinese soft power objectives, in particular health and education aid. Beijing is keenly aware that development assistance has the potential to put a more positive face on Chinese engagement that can counter negative perceptions of Chinese activities on the continent.

Quantifying Chinese development aid to Africa has proven a difficult task for scholars and analysts. This is due to two factors. First, the Chinese government does not provide tailored statistics on its aid to African countries. Second, China defines

³⁸ OECD, *Mapping Support for Africa's Infrastructure Investment*, 2012, pp. 12–13.

³⁹ Vivien Foster, William Butterfield, Chuan Chen, and Nataliya Pushak, *Building Bridges: China's Growing Role as Infrastructure Financier for Sub-Saharan Africa*, Washington, D.C.: World Bank, 2008.

“aid” differently than the Organisation for Economic Co-operation and Development (OECD), of which China is not a member, making crosscut comparisons with other donors and among different countries challenging.

In April 2011, the Chinese State Council released its first white paper on foreign aid, giving analysts a more detailed account of Chinese aid worldwide broken down by loans, grants and concessional loans. The paper states that, “By the end of 2009, China had provided a total of 256.29 billion yuan [\$37.7 billion] in aid to foreign countries, including 106.2 billion yuan [\$15.6 billion] in grants, 76.54 billion yuan [\$11.3 billion] in interest-free loans and 73.55 billion yuan [\$10.8 billion] in concessional loans.” It also revealed that aid had grown by 29.4 percent annually between 2004 and 2009, and 46.7 percent of total Chinese aid was committed to Africa in 2009.⁴⁰ As a basis of comparison, 32.8 percent went to Asia, 12.7 percent went to Latin America and the Caribbean, and 4 percent went to Oceania in 2009.⁴¹ While helpful, the paper did not give detailed country-level aid figures and breakdowns, leaving scholars and analysts at the mercy of independent studies and analyses.

Deborah Brautigam, who has devoted significant scholarship to the issue, provides one of the more authoritative assessments of Chinese aid to Africa. She finds that “in 2008, China probably disbursed about \$1.2 billion in Official Development Assistance (ODA)⁴² to Africa, compared with the World Bank (\$4.1 billion), the United States (\$7.2 billion) and France (\$3.4 billion).” She estimates that Chinese aid “probably rose to \$1.4 billion in 2009.”⁴³

Other analysts offer much higher estimates, in part because they rely on a far broader definition of what counts as “aid.” One 2009 report by the Congressional Research Service, for example, estimates that China gave almost \$18 billion in aid to Africa in 2007 alone. A database published by the College of William and Mary in 2013 found that China committed \$75 billion in aid and development projects to Africa from 2000 to 2011, and that the United States committed \$90 billion over the same period. Finally, a recently released RAND report finds that between 2001 and 2011, 49 countries in Africa received approximately \$175 billion in pledged assistance from China.⁴⁴

⁴⁰ Information Office of the State Council, People’s Republic of China, “China’s Foreign Aid,” April 2011.

⁴¹ Information Office of the State Council, 2011.

⁴² ODA is one of the most widely used and cited indicators of international aid flows. It contains three key criteria: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; and (c) at concessional financial terms (if a loan, having a grant element of at least 25 percent). See Organisation for Economic Co-operation and Development, “Glossary of Statistical Terms, Official Development Assistance (ODA),” web page, August 28, 2003.

⁴³ Brautigam, 2011b, p. 211. For a comprehensive analysis of China’s aid to Africa, see Brautigam, 2009.

⁴⁴ See Thomas Lum, Hannah Fischer, Julissa Gomez-Granger, and Anne Leland, *China’s Foreign Aid Activities in Africa, Latin America, and Southeast Asia*, Washington, D.C.: Congressional Research Service, Report R40361, February 25, 2009; Mario Biggeri and Marco Sanfilippo, “Understanding China’s Move into Africa: An Empirical

The reason that the above estimates on Chinese “aid” to Africa vary so significantly from Brautigam’s estimate is because most Chinese activity on the continent falls under “other official flows” (OOF), not the “official development assistance” (ODA) category.⁴⁵ The OOF category includes loans that are not concessional in character, but fall under the OECD definition of “official bilateral transactions.” These can include strategic lines of credit and export buyers’ credit and are typically financed through China’s two policy banks, the China Exim Bank and China Development Bank. Since 2002, more than 70 percent of the China Exim bank’s operational portfolio has consisted of export seller’s credits, which are essentially loans for Chinese companies operating abroad offered at competitive commercial interest rates.⁴⁶

However, these higher estimates of Chinese “aid” also include as “other official flows” inherently commercial investments made by Chinese companies that happen to be *state-owned* enterprises; because China’s SOEs are typically large entities involved in large-scale projects, the dollar values of their projects tend to be sizable and thus inflate the amount counted as “aid.” Similar types of investment made by OECD countries are typically made by private corporations, meaning they are not included in calculations of either “other official flows” or “aid.” If General Electric built a power plant in an African country, for example, it would be counted as private investment, whereas if SinoHydro, a large Chinese SOE, did the same, it would, under this approach, be counted as Chinese OOF or “aid.”

The topic of Chinese aid to Africa is large, complex, and ultimately beyond the scope of this report. However, three broad characteristics differentiate Chinese

cal Analysis,” *Journal of Chinese Economic and Business Studies*, Vol. 7, No. 1, 2009, pp. 31–54; Claire Provost and Rich Harris, “China Commits Billions in Aid to Africa as Part of Charm Offensive—Interactive,” *The Guardian*, April 29, 2013; and Charles Wolf, Xiao Wang, and Eric Warner, *China’s Foreign Aid and Government-Sponsored Investment Activities: Scale, Content, Destinations, and Implications*, Santa Monica, Calif.: RAND Corporation, RR-118, 2013. The CRS report estimated Chinese aid to Africa as \$17.96 billion in 2007. The *Guardian* article quotes statistics based on a newly released public database led by researchers at the College of William and Mary, Brigham Young University, and Development Gateway detailing almost 1,700 projects in 50 countries between 2000 and 2011. The database found that China committed \$75 billion in aid and development projects to Africa from 2000 to 2011, and that the United States committed \$90 billion over the same period. The RAND report characterizes aid and government investment under one methodological rubric it calls “foreign aid and government-sponsored investment activities,” or FAGIA. It finds that between 2001 and 2011, 49 countries in Africa received approximately \$175 billion in pledged assistance from China. As scholars have pointed out, however, many of these attempts to estimate China’s aid to Africa suffer from methodological shortcomings, including relying on news reports that characterize investment as “aid,” relying on second-hand sources that turn out to be incorrect or incomplete, and often counting the value of agreements that never come to fruition. See “Rubbery Numbers on Chinese Aid,” from Deborah Brautigam’s personal blog, “China in Africa: The Real Story,” April 30, 2013.

⁴⁵ The official ODA definition from OECD states that countries must fulfill one of two requirements for funding to be considered “ODA”: (1) funds must be “concessional in character” and must be a genuine subsidy from the host government; or (2) loans must have a “grant element of at least 25 percent using a 10 percent discount rate” (Organisation for Economic Co-operation and Development, “Is It ODA?, Fact Sheet,” November, 2008).

⁴⁶ OECD, 2008.

aid practices from Development Assistance Committee (DAC) donors—a forum of selected OECD member states that have developed a framework on issues surrounding aid, development, and poverty-reduction strategies in developing countries.

First, Chinese aid is typically “tied” to the procurement of Chinese goods and services. For example, if the government of an African country seeks a Chinese loan for an infrastructure project, that loan will typically come from one of China’s two state policy banks, the China Exim Bank and China Development Bank. These banks are export-promotion enterprises rather than development assistance agencies. Furthermore, contracts between African governments and Chinese policy banks typically stipulate preferential treatment for Chinese project contractors and goods. The China Exim Bank, for example, states that “no less than 50% of total procurement shall be made in China.”⁴⁷

Second, China emphasizes “local ownership,” i.e., letting African countries decide how they wish to use the aid funding themselves. The benefit of this policy is that it empowers African governments in the decision process of how best to utilize the funds. The drawback, of course, is that this can lead to “prestige” projects of questionable value for poverty reduction or economic development value, such as government office buildings or sports stadiums.

Third, aside from a commitment to the “One China” policy, China does not attach conditions to its aid to Africa. DAC members have spent decades honing and researching what they consider to be the “best practices” of aid efficiency—tying aid with improvements in transparency, debt sustainability, and good governance in an effort to improve the overall capacity and efficiency of government institutions in Africa. For China, this constitutes an undue infringement in the internal affairs of other countries.

Chinese aid practices in Africa are tied to China’s strategic objectives on the continent. China perceives itself as an “economic partner” first and “aid donor” second. This conception is derived in part from an identity of China as a “developing nation” that engages Africa on an equal footing without preaching or imposing standards. The concept of “aid donor” brings with it certain connotations of elitism and rich-poor status that China seeks to distance itself from. Perhaps more importantly, most Chinese “aid” is ultimately not conceived for purely *development assistance* purposes as envisioned by the OECD-DAC establishment. It is meant to support Chinese economic and strategic objectives, with the resultant effect of also benefiting Africans through infrastructure and other development projects. The fact that the majority of

⁴⁷ Deborah Brautigam, “Aid ‘With Chinese Characteristics’: Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime,” *Journal of International Development*, Vol. 23, 2011a, p. 760.

Chinese aid is tied to the procurement of Chinese goods and services further illustrates Chinese strategy in this regard.⁴⁸

Special Economic Zones and the China-Africa Development Fund

China's foray into Special Economic Zones (SEZs) in Africa began in 2006, when the "Program for China-Africa Cooperation in Economic and Social Development" was launched at the FOCAC ministerial meetings. The program was conceived by China as a means to share with African countries its own experience in investment promotion and FDI growth. Seven SEZs are now in various stages of development in five countries: Egypt, Ethiopia, Mauritius, Nigeria, and Zambia. Some are developed through joint Chinese-African ventures, while others are entirely Chinese-owned.

SEZs are best understood as geographic areas designed and created to attract foreign investment by providing favorable commercial policies, such as tax breaks, along with infrastructure intended to lower transaction costs for investors and facilitate streamlined operations. They are also intended to help China's own economic restructuring, allowing less competitive and labor-intensive industries that are becoming increasingly more competitive in the Chinese domestic market, such as textiles, leather goods, and building materials, to move offshore.

The Zambia-China Economic and Trade Cooperation Zone was the first overseas economic and trade cooperation zone initiated by China. Since its inception, the zone has attracted several Chinese and multinational companies, who have reportedly invested more than \$600 million and created employment opportunities for more than 6,000 Africans in the mining, engineering, and construction sectors.⁴⁹ The Lekki Free Trade Zone (LFTZ) in Nigeria, a joint venture between Lekki Worldwide Investment Limited and the Chinese government, is another venture that China and Nigeria hope will cultivate economic growth zone, attract FDI, promote exports, and create long-term employment opportunities for Africans.⁵⁰

While most SEZs are in the beginning stage of development, challenges persist for many. For one, the geographical and political factors that led to success in the Chinese context are not the same in Africa. One recent World Bank report concludes that country context is critical in the outcomes of many SEZ programs, which in some cases were not appropriate in the African context. The report concludes that China's one-size-fits-all model "seems plausible at the policy level, but implementation

⁴⁸ The "tying" of aid is not unique to China, of course. As recently as 2001, 92 percent of Italy's and 68 percent of Canada's official development aid was also tied to the procurement of donor goods and services. See Brautigam, 2009, p. 152.

⁴⁹ Embassy of the People's Republic of China in the Republic of Zambia, 2011.

⁵⁰ Roseline Okere, "Leveraging on Potential of Nigeria's Free Trade Zones for Economic Transformation," *The Guardian* (Nigeria), August 8, 2012.

and design are the critical factors determining success.”⁵¹ Furthermore, Africa’s SEZs are not state-directed but are in the hands of private businesses to manage. In China, the SEZ model was implemented within a very specific political and economic context where the state was able to “direct” development, including marshaling the political will to carry it out. Unfortunately, most SEZs in Africa suffer from poor infrastructure, limited political support, and diffuse oversight mechanisms. However, as the majority of SEZs are still under construction, their eventual viability and success hinge on continued commitment from government officials and buy-in from the local people of Africa.

The China-Africa Development Fund (CADFund) forms part of the Chinese government’s recent strategy for reorienting China’s investment strategy in Africa in favor of investments that promote African industrialization. CADFund was established as part of the eight measures announced by President Hu Jintao at the 2006 FOCAC, but has received more attention from Chinese policymakers in recent years. CADFund’s mandate is to facilitate China-Africa cooperation and to enhance capacity building of African economies through direct investment and advisory services.⁵² CADFund is presented by its management as China’s first fund that focuses on African investment and that encourages and supports Chinese enterprises’ investments in Africa. According to its mandate, CADFund is to operate in line with market principles, deriving funding from the China Development Bank.⁵³ Up until 2012, CADFund has reportedly financed and supported 60 projects across 30 African countries.⁵⁴ In a July 2013 interview with the *China Daily* newspaper, CADFund chief executive officer Chi Jianxin announced that the fund plans to invest \$2.4 billion on the continent in the coming years, mainly for investment in manufacturing and agriculture.⁵⁵ According to Chi, the fund has already benefited “about 700,000 people on the continent and contributed \$1 billion in tax revenues to different African governments and \$2 billion in goods for African countries to export annually.”⁵⁶

⁵¹ Thomas Farole, *Special Economic Zones in Africa: Comparing Performance and Learning from Global Experience*, Washington D.C.: The World Bank, 2011.

⁵² China-Africa Development Fund homepage, “Introduction,” no date.

⁵³ China-Africa Development Fund homepage, no date.

⁵⁴ *The China-African Development Fund (CADFund) as a Sovereign Wealth Fund for Africa’s Development? Policy Briefing*, The Centre for Chinese Studies, Stellenbosch University, July 2013.

⁵⁵ Mzwandile Jacks, “CADFund to Invest \$2.4 Billion in Africa Projects,” July 1, 2013.

⁵⁶ Jacks, 2013.

Security Engagement

Arms Sales

Since China reformed its defense industry from a military-operated to civilian-run system in 1999, the market-driven profit incentives of Chinese arms manufacturers have become the primary catalyst for increased Chinese arms sales abroad. Africa has become an increasingly important component of this expansion. According to the Stockholm International Peace Research Institute (SIPRI), as of 2011, China accounted for roughly 25 percent of the arms industry in Africa.⁵⁷ During the period from 2002 to 2009, China supplied \$1.1 billion in conventional weapons to Sub-Saharan Africa and another \$1.4 billion to North Africa.⁵⁸ China also is a key source of small arms and light weapons to Africa.⁵⁹

No statistically significant correlation was found between Chinese FDI and arms sales. However, many of China's top destinations for FDI also receive a large proportion of China's total arms sales to the continent. For example, of China's top nine destinations for FDI in Africa in 2010 (excluding South Africa), five of those countries (55 percent) were also among China's top ten recipients of arms sales to Africa from 2006 to 2010.

Chinese arms transfers to Africa have been controversial, mainly due to reports of Chinese-made weapons turning up in conflict areas and in countries that are under UN-sanctioned arms embargos. In recent years, there is no evidence that China has provided these arms *directly* to rebel groups, though arms have been documented to fall into rogue hands through intermediary channels. Assistant Foreign Minister Zhai Jun said in 2006 that China always takes a “cautious and accountable” approach toward the export of small arms, light weapons, and other military hardware to Africa. He emphasized that China requires the recipient government to certify the end user and the ultimate purpose, and that the arms will not be transferred to a third party. Zhai also reiterated that China strictly abides by UN resolutions and does not export military equipment to countries and regions where the Security Council has imposed sanctions.⁶⁰

Given these principles, it is easy to forget that a little more than a decade ago, China reserved the right for itself to object to arms exports by the United States, withdrawing from the United Nations Register of Conventional Arms (UNRCA) in pro-

⁵⁷ Lynch, 2012.

⁵⁸ Richard F. Grimmett, *Conventional Arms Transfers to Developing Nations, 2002–2009*, Congressional Research Service, Report R41403, September 10, 2010, pp. 52–58.

⁵⁹ Mitali Mirle, *The Question of Small Arms and Light Weapons (SALWs) in Africa*, General Assembly 1—Disarmament and International Security,” Dubai International Academy Model United Nations 2012, fourth Annual Session, March 4, 2012.

⁶⁰ “Assistant Foreign Minister Zhai Jun Accepts an Exclusive Interview by Foreign Media concerning the Beijing Summit of the Forum on China-Africa Cooperation,” Forum on China-Africa Cooperation (FOCAC) Summit, Beijing, October 26, 2006.

test of the United States' inclusion of arms sales figures to Taiwan.⁶¹ China rejoined in 2007 after the UNRCA committee "affirmed the important principle that the Register should only include arms transfers among States Members of the United Nations."⁶²

However, recent news reports indicate that Chinese officials have become more active in hampering UN-led investigations into accusations that Chinese arms are ending up in conflict zones. One *Washington Post* article, for example, alleges that China "routinely refuses to cooperate with U.N. arms experts and flexes its diplomatic muscle to protect its allies and curtail investigations that may shed light on its own secretive arms industry."⁶³

Military Ties

China has been quietly increasing its military cooperation with many countries in Africa. The PLA's attaché program has seen extensive growth recently in Africa. It currently has attaché representation in one-third of African nations, and 75 percent of these countries have attachés in China.⁶⁴ High-level military visits are an important part of the security relationship. From 2009 to 2012, China sent a total of 12 high-level military delegations to Africa, while Africa sent a total of 13 to China.⁶⁵ These efforts are buttressed by an increase in the number of foreign military officers receiving scholarships and training on the mainland. For example, one- and two-star generals, chiefs of staff, and cabinet ministers from Africa are receiving training at China's National Defense University. President Joseph Kibila of the Democratic Republic of Congo has also received training there.⁶⁶ This is in addition to the African diplomats already receiving training at China's various foreign affairs academies, such as the China Foreign Affairs University.⁶⁷

⁶¹ In 1996, China had noted that arms transfers from the U.S. to Taiwan are "neither legitimate nor transfers between sovereign States" and asked that such entries be deleted from future annual reports to the Register. Despite this protest, however, the U.S. included in its report to the Register in a footnote. See Malcolm Chalmers and Owen Greene, "The UN Register of Conventional Arms: A Progress Report," *Disarmament Diplomacy*, No. 35, March 1999.

⁶² United Nations Disarmament Yearbook, Volume 31, 2006. See also Li Jun, "The Background of China Resuming Participation in the UN Register of Conventional Arms," *International Herald Leader*, September 10, 2007.

⁶³ Lynch, 2012.

⁶⁴ Jeniffer Parenti, "China-Africa Relations in the 21st Century," *Joint Forces Quarterly*, No. 52, 1st Quarter, 2009.

⁶⁵ RAND calculations based on Chinese-language news reports. China sent delegations to the following countries: Mozambique, Cameroon, Namibia, Angola, Ethiopia, Uganda, Seychelles, South Africa, Zambia (twice), and Tanzania (twice). Meanwhile, Africa sent delegations to China from the following countries: Namibia, Egypt, Mozambique, Sierra Leone, Rwanda, Algeria, Nigeria, Equatorial Guinea, South Africa, Ghana, Malawi, and Djibouti (twice).

⁶⁶ Horta Loro, *Defense and Military Education: A Dimension of Chinese Power*, Power and Interest News Report, September 29, 2006.

⁶⁷ "China Beef Up Training of African Diplomats," China Radio International, November 25, 2013.

Generally speaking, Beijing seems to devote more attention to coastal states such as Djibouti and Tanzania, especially considering China's ongoing counter-piracy operations near the Gulf of Aden. Officials from Djibouti and Tanzania have visited or been visited by China twice from 2009 to 2012, with the vice chairman of China's Central Military Commission, Fan Changlong, recently meeting with the Tanzanian Minister of Defense in April 2013.⁶⁸ The Port of Djibouti has been identified as a possible "ship fuel and material replenishment point" for the PLA Navy in the future.⁶⁹ In May 2013, China agreed to assist Cape Verde—a coastal state off the west coast of Africa—with \$210 million in military equipment and training over ten years.⁷⁰ Finally, starting in January 2009, Chinese naval forces were sent to the Gulf of Aden to participate in the ongoing multilateral counter-piracy effort, marking the first time the country's naval vessels have been operationally deployed in a multilateral setting outside of Chinese waters since the founding of the PRC in 1949.⁷¹ As China's navy seeks to bolster its ability to safeguard its increasingly far-flung economic interests in that region of the world, it is inevitable that Chinese military leaders will seek to enhance military ties with African countries in key geostrategic areas.

To date, China has conducted regular defense consultations only with South Africa, beginning in 2003.⁷² China's 2010 defense white paper also notes that China has established "mechanisms for defense cooperation meetings with Egypt"⁷³

China has also increased military training and support for several African military forces. Citing "serious security challenges in the Gulf of Guinea" and Nigeria's "outdated military equipment," for example, PRC military attaché to Nigeria Colonel Kang Honglin announced in August 2012 that the PLA Navy had begun training exercises with the Nigerian Navy. Col. Kang also announced that China agreed to help Nigeria set up an ammunition assembly in Kaduna "in support of the federal government's desire for indigenous arms manufacturing."⁷⁴

⁶⁸ "Fan Changlong Meets with Tanzanian Guests," *PLA Daily*, April 18, 2013.

⁶⁹ The other replenishment points identified were the Port of Aden in Yemen, and the Port of Salalah in Oman. See Hai Tao, "Is the Navy Establishing the First Batch of Overseas Strategic Support Points?" [海军建首批海外战略支撑点?] *Guoji Xianqu Daobao* (in Chinese), January 10, 2013.

⁷⁰ Constanca de Pina, "China Assists Cape Verde with Military Equipment," *A Semana Online*, May 14, 2013.

⁷¹ Richard Weitz, "Operation Somalia: China's First Expeditionary Force?" *China Security*, Vol. 5, No. 1, Winter 2009, pp. 27–42; Andrew S. Erickson and Austin M. Strange, *No Substitute for Experience: Chinese Antipiracy Operations in the Gulf of Aden*, China Maritime Study No. 10, Newport, R.I.: U.S. Naval War College, 2013; Mark McDonald, "China Confirms Naval Role in Gulf of Aden," *New York Times*, December 18, 2008.

⁷² Chinese Foreign Ministry, "Relations with South Africa," June 14, 2006.

⁷³ Government of China, "China's National Defense in 2010," no date.

⁷⁴ Oghogho Obayuwana, "China Wants to Partner Nigeria on Gulf of Guinea," *The Guardian* (Nigeria), August 2, 2012.

UN Peacekeeping Operations

China's stance toward international peacekeeping has evolved from outright rejection in the 1970s to reluctant participation in the 1980s and then to prolonged involvement starting in the mid-1990s.⁷⁵ This shift reflects recognition on the part of policymakers in Beijing that peacekeeping conforms to Beijing's policy of non-intervention while giving Chinese security and military personnel the opportunity to gain valuable experience with overseas deployments. Since UN peacekeeping operations are carried out under the authority of a multilateral institution (i.e., the UN) and in most cases with the consent of the hosting state, UN peacekeeping operations are viewed as legitimate means for China to contribute to peace and stability in Africa.

Since 2001, the number of peacekeepers that China has sent to participate in UN peacekeeping operations worldwide has rapidly increased. In January 2001, China contributed 27 military personnel to Africa, all of whom were observers. At the time, China ranked 42nd among contributors worldwide. As of 2012, China has well over 1,800 military, police, and civilian personnel in UN peacekeeping operations in Africa, the largest contributor among UN Security Council permanent members and constituting 75 percent of China's total number of deployed peacekeepers worldwide.⁷⁶ Chinese peacekeeping operation deployments are concentrated in Darfur, South Sudan, Liberia, and the Democratic Republic of the Congo, though it also has small contingents in Côte d'Ivoire and the Western Sahara.

In June 2013, China agreed to commit 395 peacekeeping troops to Mali. The most notable aspect of this decision was that combat troops would be sent as part of the contingent, marking the first time China has sent combat troops on a peacekeeping mission. Chen Jian, head of the UN Association of China, a Chinese think tank, called the move a "major breakthrough in our participation in peacekeeping," adding, "With this, our contribution will be complete. We will have policemen, medical forces, engineering troops and combat troops."⁷⁷ According to Xinhua, the Mali contingent will include engineers, medical personnel, and guard teams to be sent in two batches at the end of July and the beginning of September 2013.⁷⁸ The peacekeepers will be tasked with "repairing roads and bridges, safeguarding peace and stability as well as providing medical assistance."⁷⁹

⁷⁵ For more on this history, see Ayenagbo et al., 2012, pp. 22–32; and Bates Gill and Chin-hao Huang, *China's Expanding Role in Peacekeeping: Prospects and Policy Implications*, SIPRI Policy Paper No. 25, November 2009.

⁷⁶ Ton Dietz, Kjell Havnevik, Mayke Kaag, and Terje Oestigaard, eds., *African Engagements: Africa Negotiating an Emerging Multipolar World*, Leiden and Boston: Brill Publishers, 2011, p. 214.

⁷⁷ Kathrin Hille, "China Commits Combat Troops to Mali," *Financial Times*, June 27, 2013.

⁷⁸ "China to Send Peacekeeping Forces to Mali," Xinhua, July 12, 2013.

⁷⁹ "China to Send Peacekeeping Forces to Mali," 2013.